

CHAPTER NO. 74

SENATE BILL NO. 1590

By McNally

Substituted for: House Bill No. 1106

By Gunnels, Boyer

AN ACT To amend the Tennessee Securities Act of 1980, Title 48, Chapter 2, Part 1, relative to the Federal National Securities Markets Improvement Act of 1996.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 48-2-102(14)(F), is hereby amended by deleting the language contained therein in its entirety and substituting the following:

(F) That is issued in connection with a transaction that is exempt from registration under the Securities Act of 1933 pursuant to:

(i) Paragraph (1) or (3) of Section 4 of the Securities Act of 1933, and the issuer of such security files reports with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities and Exchange Act of 1934, as amended;

(ii) Section 4(4) of the Securities Act of 1933;

(iii) Section 3(a) of the Securities Act of 1933, other than the sale of a security that is exempt from such registration pursuant to paragraph (4) or (11) of Section 3(a) of the Securities Act of 1933, except that a municipal security that is exempt from registration under the Securities Act of 1933 pursuant to paragraph (2) of section 3(a) of that act is not a "covered security" with respect to the sale of such security in Tennessee if the issuer of such security is located in Tennessee;

(iv) Securities and Exchange Commission rules or regulations issued under paragraph (2) of Section 4 of the Securities Act of 1933.

SECTION 2. Tennessee Code Annotated, Title 48, Chapter 2, Part 1, is hereby amended by adding the following as a new section:

Exemptions from Notice Filing and Fee Requirements. Notwithstanding the provisions of T.C.A., §48-2-125(a)(1)(A), (B), and (C), the following covered securities are exempt from the Notice Filing and Fee requirements set forth in T.C.A., §48-2-125:

(1) Any covered security sold to an institutional investor as defined under T.C.A., §48-2-102(6), of this act.

(2) Any security that is defined to be a covered security pursuant to this Act and is exempt from federal securities registration pursuant to Section 3(a)(2) of the Securities Act of 1933.

(3) Any security that is defined to be a covered security pursuant to this Act and is exempt from federal securities registration pursuant to Section 3(a)(3) of the Securities Act of 1933.

(4) Any security that is defined to be a covered security pursuant to this Act and is exempt from federal securities registration pursuant to Section 3(a)(5) of the Securities Act of 1933.

(5) Any security that is defined to be a covered security pursuant to this Act and is exempt from federal securities registration pursuant to Section 3(a)(6) of the Securities Act of 1933.

(6) Any security that is defined to be a covered security pursuant to this Act and is exempt from federal securities registration pursuant to Section 3(a)(7) of the Securities Act of 1933.

(7) Any security that is defined to be a covered security pursuant to this Act and is sold in a transaction exempt from federal registration pursuant to Section 3(a)(9) of the Securities Act of 1933.

(8) Any security that is defined to be a covered security pursuant to this Act and is sold in a transaction exempt from federal registration pursuant to Section 3(a)(10) of the Securities Act of 1933.

(9) Any security that is defined to be a covered security pursuant to this Act and is exempt from federal registration pursuant to Section 3(a)(12) of the Securities Act of 1933.

(10) Any security that is defined to be a covered security pursuant to this Act and is exempt from federal registration pursuant to Section 3(a)(13) of the Securities Act of 1933.

(11) Any security that is defined to be a covered security pursuant to this Act and is determined, by rule or order of the Commissioner, that such notice filing is not necessary for the protection of investors.

(12) Any security issued by a unit investment trust that is registered under the federal Investment Company Act of 1940, as amended, if:

(i) The units have been subject of a previous notice filing and fee under this part and have been sold;

(ii) The units are offered or sold by a broker-dealer registered under this part; and

(iii) The units are sold by or on behalf of a sponsor or depositor of the unit investment trust or affiliate of the sponsor or depositor.

SECTION 3. This act shall take effect upon becoming law, the public welfare requiring it.

PASSED: March 24, 1999


JOHN S. WILDER
SPEAKER OF THE SENATE


JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 7th day of April 1999


DON CONQUIST, GOVERNOR